Federal Employees Retirement System (FERS) For Firefighters

Updated 1/13/09

INTRODUCTION

ABC-C MISSION: We are a top performing, caring team of Civilian Human Resource professionals providing quality benefits and entitlements services to our customers through a centralized automated center.

ABC-C SERVICES: Provide advisory services and process transactions for:

- **Federal Employees Health Benefits (FEHB)**
- **Federal Employees' Group Life Insurance (FEGLI)**
- **Thrift Savings Plan (TSP)**
- **Retirement (FERS & CSRS)**
- **Survivorship (Death Claim Processing)**

ABC-C AUTOMATED SYSTEMS

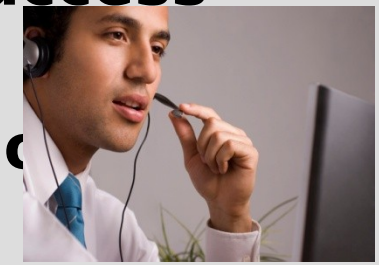
EBIS – Web Based

- Customer-friendly
- Available 24 hours a day
- Secure site
- Ability to read at convenience
- Ability to print screens of information
- Can process benefits transactions without counselor assistance
- Ability to print benefits forms
- Estimate calculators
- ABC-C website: https://www.abc.army.mil

ABC-C AUTOMATED SYSTEMS

IVRS - Telephone

- Can connect with a counselor if needed
- Available to those without computer access
- Requires use of SSN and PIN only
- Can process benefit transactions witho
  counselor assistance
- Can receive faxed back copies of documents (FEHB enrollment form)
- Counselors are available 12 hours a day
- Automated system available 24 hours a day
- ABC-C toll-free telephone number is 1-877-276-9287 (TDD for the hearing impaired is 1-877-276-9833)



COUNSELOR ASSISTED CALLS

1 JANUARY – 31 DECEMBER 2008

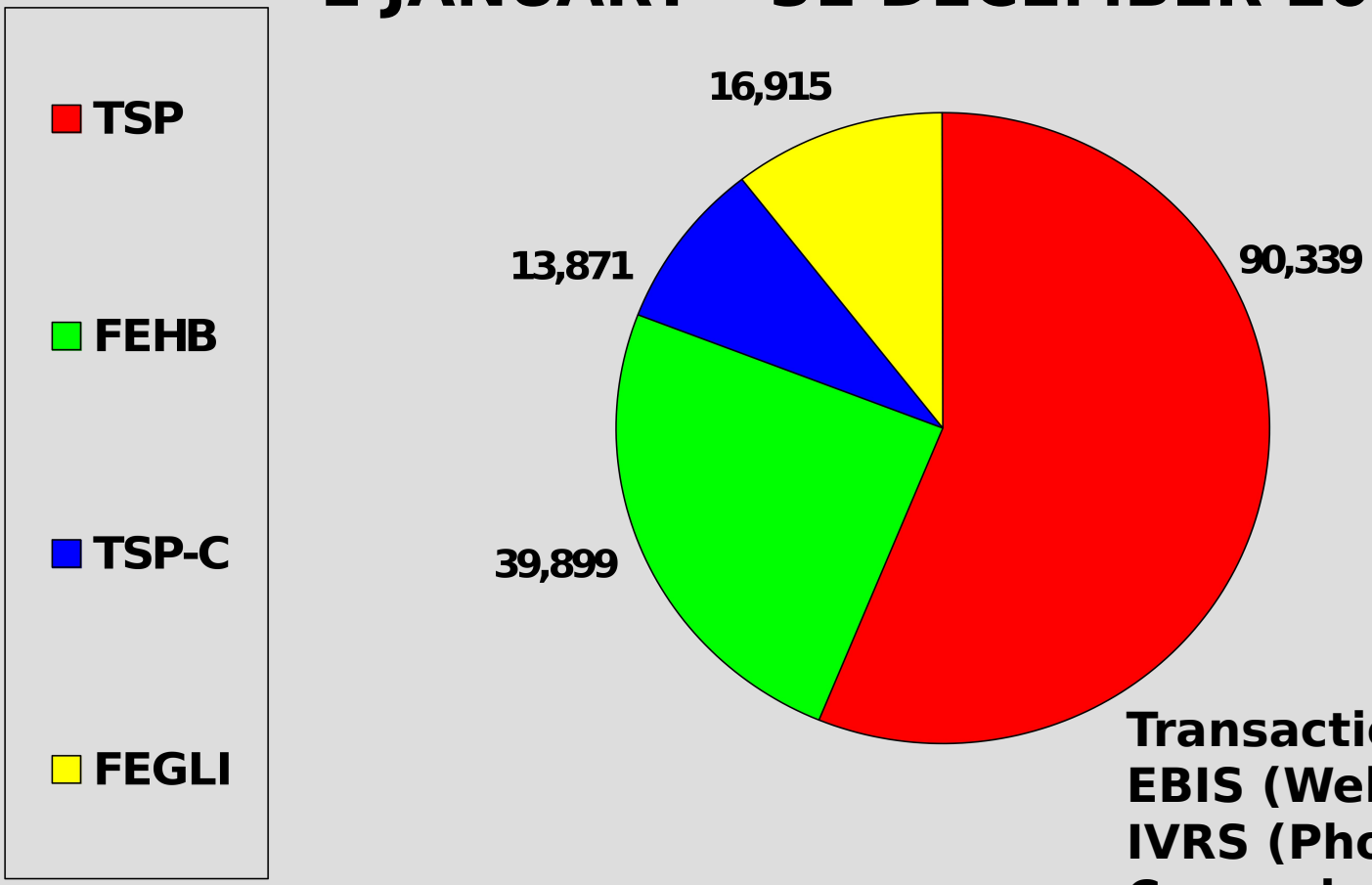
88,721 Total Calls
Average Answer Time: 43 Seconds
Average Call Length: 9 Minutes 26 Seconds
Average Wrap-Up Time: 2 Minutes 27 Seconds

ABC-C Benefits Counselors are available from 6:00 a.m. to 6:00 p.m. CT
Monday - Friday

Peak Call Times are between 8:00 a.m. and 2:00 p.m.

BENEFITS TRANSACTION SUMMARY

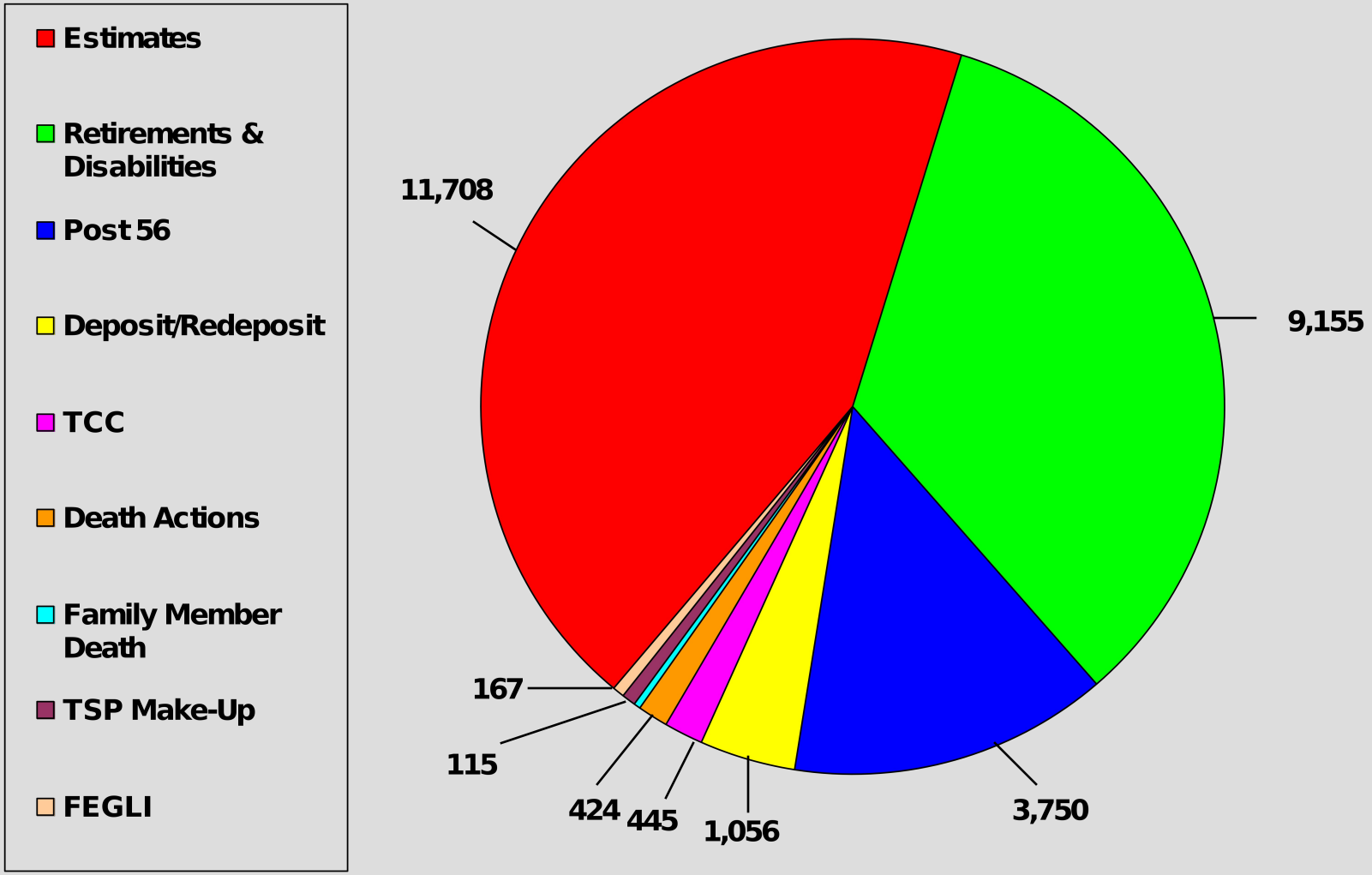
1 JANUARY – 31 DECEMBER 2008



Transaction Source:
EBIS (Web) – 142,231
IVRS (Phone) – 3,232
Counselor Assisted – 15,56
Total Transactions = 161,0

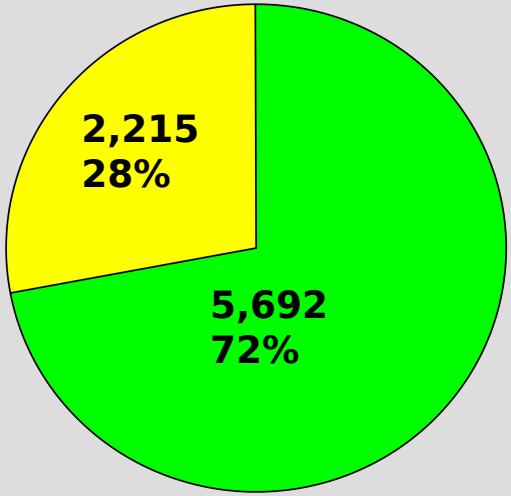
PRODUCTION SUMMARY

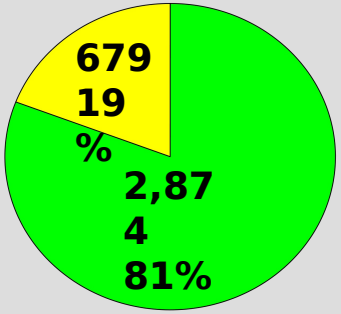
1 JANUARY – 31 DECEMBER 2008



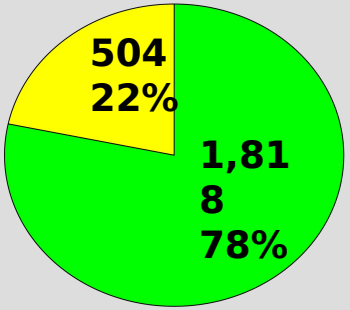
RETIREMENT PROCESSING TIME

1 JANUARY – 31 DECEMBER 2008



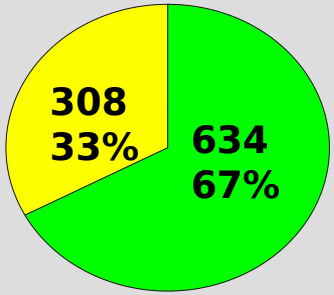


Rcvd More Than 60 Days: 3,553

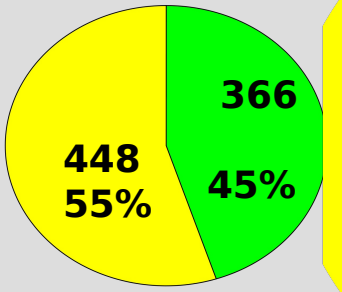


Rcvd 31-60 Days: 2,322

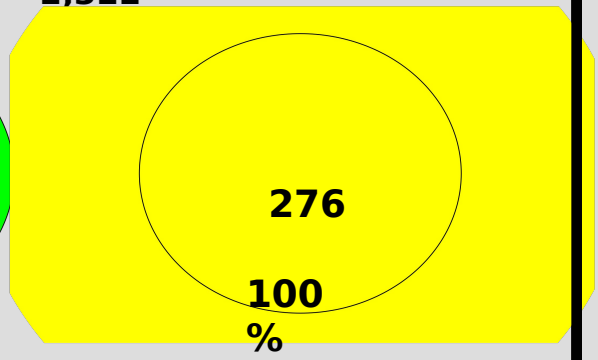
Total: 7,907
- Met
- Did Not Meet



Rcvd 16-30 Days: 942



Rcvd 1-15 Days: 814

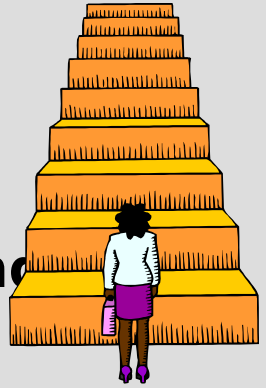


Rcvd On/After DOR: 276

Goal: Complete retirement package NLT 5 working days prior to DOR.

CONTINUING CHALLENGES

- Last minute VERA/VSIP approvals
- Late submission of retirement packages
  - Direct correlation between package submitted less than 30 days of DOR and inability to meet timeliness goals
- Federal Erroneous Retirement Coverage Corrections Act (FERCCA)
- Aging workforce
- RetireEZ – formerly Retirement Systems Modernization (RSM)
- Financial Literacy Education



ON THE HORIZON

- **HR Link (electronic estimates)**
- **Access for Non Appropriated Fund (NAF) employees**
- **eSeminar**
- **RetireEZ – formerly Retirement Systems Modernization (RSM)**
- **Financial Literacy Education**

QUESTIONS?

FERS FIREFIGHTER (FF) DEFINITIONS

- **An employee in a position whose duties are primarily to perform work:**
  - **Directly connected with the control and extinguishment of fires**
  - **Includes an employee who moves directly from a primary firefighter position to a secondary position**
- **Does not include:**
  - **An employee whose primary duty is the performance of routine fire prevention inspections**

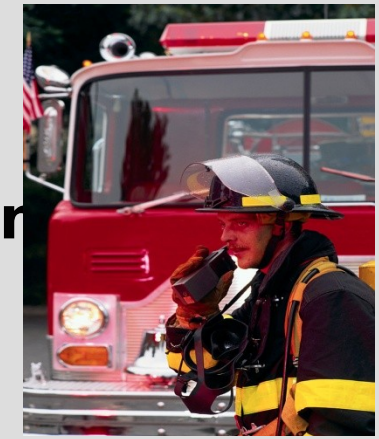
RIGOROUS POSITIONS DEFINED

- **Rigorous duties are defined as:**
  - **A position in which the duties are so rigorous that employment opportunities should be limited through the establishment of a maximum entry age and physical qualifications, to young and physically vigorous individuals, whose primary duties are:**
    - **To perform work directly connected with controlling and extinguishing fires**

PRIMARY POSITIONS DEFINED

- **Paramount in influence or weight; that is, constitute the basic reason for the existence of the position**
- **Occupy a substantial portion of the individual's working time over a typical work cycle; and**
- **Assigned on a regular and recurring basis**

SECONDARY POSITIONS DEFINED



- **Is in the firefighting field;**
- **Is in an organization having a firefightin mission; and**
- **Is either:**
  - **Supervisory – a position whose primary duties are as a first-level supervisor of firefighters in rigorous positions; or**
  - **Administrative (executive, managerial, technical, semiprofessional or professional) position for which experience in a rigorous firefighting position is a mandatory prerequisite**

RETIREMENT PLANNING

RETIREMENT PLANNING

- **Early Career – 25 + years to retirement**
  - **Enroll in TSP**
  - **Enroll in benefits (FEHB, FEGLI, FEDVIP, FSA)**
  - **Pay civilian deposit**
  - **Pay military deposit**
- **Mid Career – 10 - 24 years to retirement**
  - **Adjust benefits based on life situation**
  - **Review level of TSP participation & allocation between the funds**

RETIREMENT PLANNING

- **Late Career:**
  - **Less than 10 years prior to retirement:**
    - **Use calculators in EBIS to get a rough estimate of annuity**
    - **Determine income needed in retirement using the Federal Ballpark E$timate calculator**
    - **Adjust TSP contributions & other savings based on results from calculators**
  - **Five years to retirement:**
    - **Verify eligibility to continue FEHB & FEGLI into retirement**
    - **Request a retirement estimate**
    - **Maximize TSP contributions & other savings**

RETIREMENT PLANNING LINKS

Federal Ballpark E$timate:

https://www.opm.gov/retire/tools/calculators/ballpark/menu.asp

Retirement information & services provided by OPM:

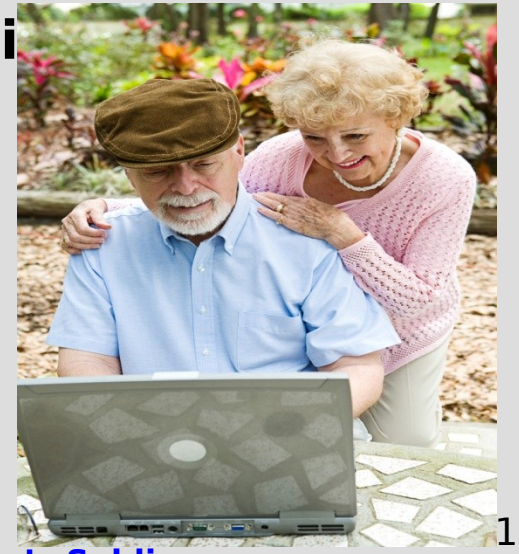
http://www.opm.gov/retire

U.S. Financial Literacy Education Commi

http://www.mymoney.gov

Army Benefits Center–Civilian EBIS:

https://www.abc.army.mil



FERS FF

- New employees first hired in covered position on/after 01-01-1987
- Contribute 1.3% of salary to FERS
- Contribute to Social Security
- Can contribute up to IRS limit to TSP, receive agency matching of 5% if you contribute at least 5% of your salary
  - Automatic 1% contribution regardless of your TSP contribution rate
  - First 3% of your contributions are matched dollar-for-dollar
  - Next 2% will be matched at 50 cents on the dollar

CSRS INTERIM FF

- **Employees first hired on/after 01-01-1984 & certain rehires**
- **Reduced CSRS contribution rate of 1.3%**
- **Contribute to Social Security**
- **On 01-01-1987, employees with CSRS Interim coverage changed to:**
  - **CSRS Offset if you had at least 5 years of civilian service**
  - **FERS if you had less than 5 years of civilian service**

CSRS COMPONENT

- If you have civilian service prior to your election of FERS, **and**
- The service was subject to CSRS retirement deductions, or Social Security deductions, but not both, **and**
- The total of these 2 types of service is 5 or more years, **then**
- This period of service is called a CSRS component, and that portion of your retirement annuity, or civilian deposit, etc. will be calculated using CSRS rules

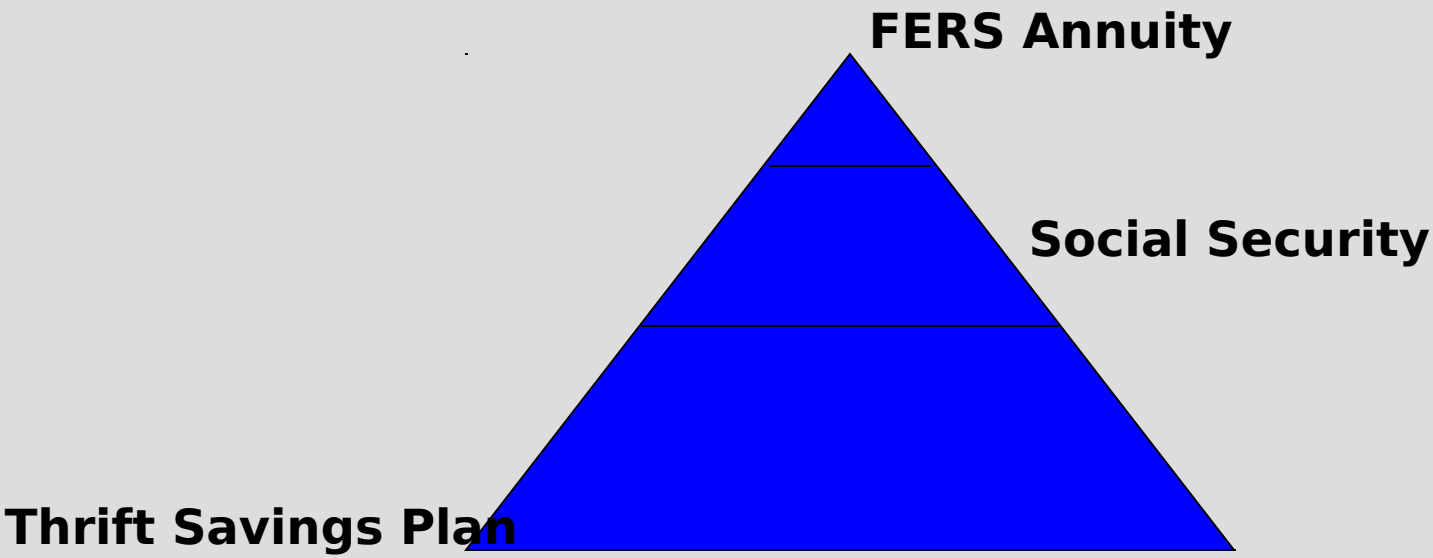
(If you have less than 5 years, the service is creditable under FERS rules)

FERS

FERS is a 3-tiered retirement system

FERS annuity is the smallest component

TSP WILL make up the largest portion of your total retirement



CIVILIAN SERVICE DEPOSIT/REFUND

RETIREMENT SERVICE COMPUTATION DATE (RSCD)

- **Used to determine retirement eligibility and to calculate retirement annuity**
- **May not be the same as your Leave SCD (SCD that appears on your SF 50 & LES)**
- **Not all service that is creditable for leave is creditable for retirement**

RETIREMENT SERVICE COMPUTATION DATE (RSCD)

- Examples of service that is creditable for leave but not for retirement:
  - Non-Appropriated Fund (NAF) service on a temporary appointment
  - For retired military, campaign or combat service if retired military pay is not being waived
  - Military service when the military deposit has not been paid
  - Service on a temporary appointment performed on or after 01-01-1989
  - Refunded FERS service

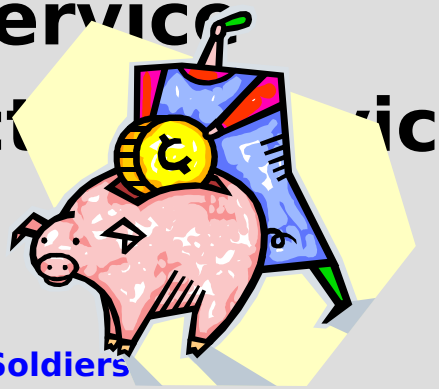
WHAT IS DEPOSIT SERVICE?

Any period of potentially creditable service

during which retirement deductions are not

withheld:

- **Generally, non-career time such as temporary or indefinite service**
- **Also known as non-deduct ice**



DEPOSIT SERVICE

However, it can also be service that was not considered Federal employment at the time it was performed, but a subsequent change in law now allows credit for retirement annuity computation purposes (VISTA & Peace Corps).

<u>Amount of Deposit</u>:

- **1.3% of earnings + Interest**

  (3% of stipend for VISTA & Peace Corps)

- **Interest will vary depending upon the date service**

  was performed

- **FERS with CSRS component, CSRS rules apply**

DEPOSIT SERVICE

Non-Deduction Service prior to 01-01-1989

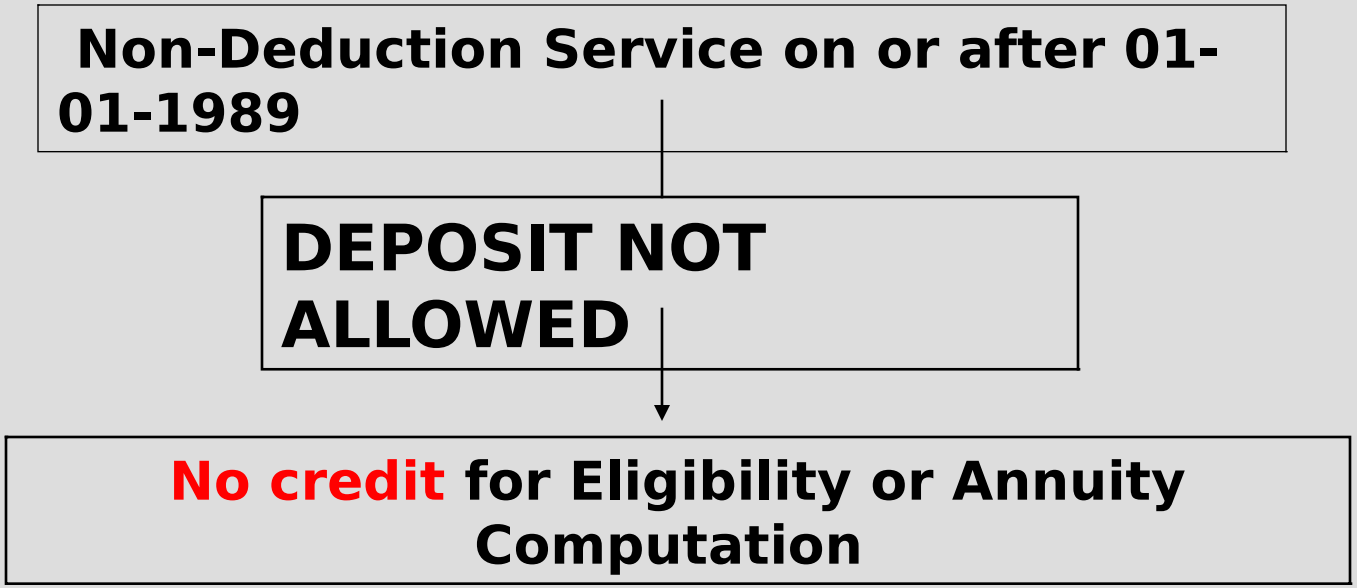
Deposit Made

Credit for eligibility (RSCD) and Annuity Computation

Deposit Not Made

No credit for eligibility (RSCD) and Annuity Computation

DEPOSIT SERVICE



REFUNDED SERVICE

DEFINED AS: FERS Service for which retirement contributions were refunded to you!

NO FERS REDEPOSIT ALLOWED!

Note:

- **FERS with CSRS component, CSRS rules apply**
- **FERS with no CSRS component, FERS rules apply**

HOW TO PAY A CIVILIAN DEPOSIT OR REDEPOSIT

- **Complete front page of SF 3108, *Application to Make Service Credit Payment (FERS)* and send to the ABC-C.**
- **ABC-C will calculate an estimated deposit/redeposit amount and mail to OPM.**
- **OPM will notify you of final deposit/redeposit amount and payment procedures.**
- **OPM will send you a receipt and new balance each time payment is made.**
- **Ensure "Payment in Full" notice is f OPF.**

MILITARY DEPOSIT

PRE 01-01-1957 MILITARY SERVICE

No deposit required for creditable military service performed prior to 01-01-1957

CREDIT FOR POST-56 MILITARY SERVICE

IN RECEIPT OF MILITARY RETIRED PAY

Based on Non – Combat Disability or Length of Service

No Credit unless Military Retired Pay is waived & deposit is paid

Based on Combat Disability or Chapter 1223, Title 10 (Reserves)

Must Pay to receive credit for Eligibility (RSCD) & Annuity Computation

POST-56 MILITARY SERVICE

Military Service on/after 01-01-1957

↓

<u>Must</u> Pay to receive credit for Eligibility (RSCD) & Annuity Computation

<u>Amount of Deposit</u>:

3% of basic pay earned + interest (2 years interest free)

(Interest will vary)

HOW TO PAY A MILITARY DEPOSIT

- **Complete Form RI 20-97, *Estimated Earnings During Military Service*, and send to the appropriate branch of service (addresses are on the ABC-C website). Include copies of all of your DD 214s.**
- **Upon receipt of estimated earnings, include your DD 214, SF 3108 page 1 and SF 3108A and forward to the ABC-C. The ABC-C will calculate an estimate of the deposit owed and forward to DFAS.**
- **DFAS will finalize the amount owed and advise you of payment options. Payments are made directly to DFAS-Cleveland.**
- **Ensure "Payment In Full" notice is filed in OPF.**

RETIREMENT REQUIREMENTS

TRANSFER REQUIREMENTS FERS FF

- While covered under the special provision, you move directly (that is, without a break in service exceeding 3 days) from a primary position; and
- You have completed 3 years of service in a rigorous position, including any such service in which no FERS deductions were withheld; and
- If applicable, you have been continuously employed in a secondary position or positions since moving from a a primary position without a break in service exceeding 3 days.

RETIREMENT ELIGIBILITY FERS FF

Minimum: Age 50 with 20 years creditable special service, or any age with 25 years creditable special service

Mandatory: Age 57 with 20 years creditable special service; or when 20 years creditable special service is reached after age 57

RETIREMENT FORMS

- **SF 3107, Application for Immediate Retirement**
- **SF 3107, Schedule A (Military Service Information), Schedule B (Military Retiree Pay), Schedule C (Federal Employees Compensation Information)**
- **SF 3107-2, Spouse's Consent to Survivor Election**
- **SF 2818, Continuation of Life Insurance Coverage**
- **W-4P, Withholding Certification for Pension or Annuity Payment**
- **State Tax Forms, if applicable**
- **SF 2809, Health Benefits Registration Form**
- **DD 214, Report of Separation from Active Duty (or equivalent)**
- **OPM 1514, Military Deposit Worksheet**
- **OPM 1515, Military Service Deposit Election**

FERS ANNUITY SUPPLEMENT

- An estimated amount of Social Security benefits earned during FERS service
- Benefit paid until age 62 to certain FERS employees who retire before age 62 and are entitled to an immediate annuity
- Eligibility:
  - Has at least 1 calendar year of FERS service AND
  - Retires with an immediate annuity
  - At or after MRA with 30 years
  - At age 60 with 20 years of service
  - At or after MRA under Early/DSR

- Individuals NOT eligible for annuity supplement:
  - Disability Retiree
  - MRA +10 provision
  - Deferred Annuity
  - Retiring at age 62 or older
  - CSRS Employees

- Duration of annuity supplement:
  - Payable through the earlier of the following dates:
    - Last day of the month you become age 62 **OR;**
    - Last day of the month before the first

FERS ANNUITY SUPPLEMENT

Supplement is tested for earnings above the Social Security exempt amount ($14,160 for 2009)

- **Earnings include wages and self-employment income.**
- **Income from severance pay (including VSIP), pensions, savings and investments are NOT subject to the earnings test.**
- **Annuity supplement will be offset by $1 for every $2 over this amount that is earned in 2009.**

ELIGIBILITY COMPUTATION

AGE	TOTAL SERVICE
Date of Retirement	Date of Retireme
- Date of Birth	- Retirement SCD
Age at Retirement	Length of Service

UNUSED SICK LEAVE

- **For individuals covered by FERS:**

  No credit for any sick leave

- **For individuals who have transferred to FERS with a CSRS component, the amount of sick leave credited is the lesser of:**
  - **Sick leave balance on date of transfer to FERS**

    OR

  - **Sick leave balance on date of retirement**

ANNUITY COMPUTATION

FORMULA FOR COMPUTING ANNUITY FOR VOLUNTARY RETIREMENT:

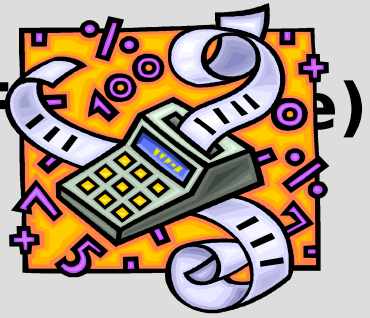
- **High-3 avg salary X 1.7% X first 20 years of FF service**

Plus

- **High-3 avg salary X 1.0% X remaining service > 20 years**

(FF and non-

F e)



HIGH – 3 AVERAGE SALARY

- **Weighted average of highest 3 years of basic pay (including locality pay/local market supplement)**
- **Must be 3 consecutive years**
- **Is usually the last 3 years**
- **Is the highest salary, not the highest grade**
- **Normally, the beginning date of the 3 year period is determined by subtracting 3 years from the date of retirement**

HIGH-3 AVERAGE SALARY COMPUTATION (FF) – UNUSUAL TOUR

- **To calculate the basic pay for unusual work schedule (at least 53 hours per week):**
  - **Divide the Basic Pay + Locality (Adjusted Basic Pay) by 2756 to compute an hourly rate**
  - **Multiply the hourly rate by biweekly tour of duty (i.e., 106 or 144) to find the regular pay per pay period**
  - **Multiply the regular pay per pay period by 26 to compute the basic pay for retirement and FEGLI**

HIGH-3 AVERAGE SALARY COMPUTATION (FF) – UNUSUAL TOUR

Example:

Biweekly tour of duty = 144

Basic Pay + Locality = $40,770

$40,770 ÷ 2756 = $14.79 per hour

$14.79 x 144 (biweekly tour) = $2,129.76

$2,129.76 x 26 = $55,373.76 (basic pay for retirement and FEGLI)

HIGH-3 AVERAGE SALARY COMPUTATION (FF) – EMBEDDED TOUR

- **To calculate the basic pay for sustained 40-hour week (embedded tour):**
  - **The first 80 hours are computed based on a 2087-hour work year**
  - **Additional hours are calculated using a 2756-hour work year**

HIGH-3 AVERAGE SALARY COMPUTATION (FF) – EMBEDDED TOUR

- **Divide basic pay + locality by 2087 to compute hourly rate. Multiply this hourly rate by 80 to find the regular pay per pay period.**
- **Divide basic pay + locality by 2756 to compute the stand-by rate. Multiply this stand-by rate by the number of hours worked in excess of 80 hours.**
- **Add the regular pay to the stand-by pay and multiply by 26 to compute the pay for retirement and FEGLI.**

HIGH-3 AVERAGE SALARY COMPUTATION (FF) – EMBEDDED TOUR

Example:

Biweekly tour of duty = 112

Basic Pay + Locality = $50,174

$50,174 ÷ 2087 = $24.04 per hour

$24.04 x 80 (biweekly tour) = $1,923.20

$50,174 ÷ 2756 = $18.21 per hour

$18.21 x 32 (stand-by hours) = $582.72

$1,923.20 + $582.72 = $2,505.92

$2,505.92 x 26 = $65,153.92 (basic pay for retirement and FEGLI)

REDUCTIONS

- Deposit Service for CSRS component
- Election of Survivor Benefits
- Redeposit Service for CSRS component

DEDUCTIONS

- Health Benefits
- Life Insurance
- Federal Income Taxes
- FEDVIP
- LTCI
- State Tax (If applicable)

SURVIVOR ELECTION OPTIONS

- ☑ CURRENT Spouse Survivor Annuity ---Full (50% of your annuity)
- ☑ FORMER Spouse Survivor Annuity ---Full (50% of your annuity)
- ☑ Combination Current / Former Spouse Survivor Annuity
- ☑ Insurable Interest Survivor Annuity
- ☑ CURRENT Spouse Survivor Annuity ---Partial (25% of your annuity)
- ☑ FORMER Spouse Survivor Annuity ---Partial (25% of your annuity)
- ☑ Self Only Annuity (No survivor benefit)

SURVIVOR BENEFIT COST & REDUCTION

Full/Max (50%) will cost = 10% of Annu

Example:

Basic Annuity = $12,000

$12,000 x 10% = - 1,200

yearly cost

Annuity after reduction = $10,800 yearly

*** Survivor will receive 50% of annuity =**

SURVIVOR BENEFIT COST & REDUCTION

Partial Annuity (25%) will cost = 5% of An

Example:

Basic Annuity = $12,000

$12,000 x 05% = - 600

yearly cost

Annuity after reduction = $11,400 yearly

*** Survivor will receive 25% of annuity = $3,000**

SURVIVOR BENEFIT PAYMENTS

- **The survivor benefit is payable for life unless the survivor remarries before age 55.**
- **Benefits will be restored if the remarriage terminates in death, annulment or divorce.**

DISABILITY RETIREMENT

- **Disability – Unable to render useful & efficient service because of disease or injury**
- **Must be in a position covered by FERS**
- **Minimum of 18 months creditable civilian service**
- **Disability annuity IS subject to Federal tax**

DISABILITY RETIREMENT

- **Not eligible for FERS annuity supplement**
- **Required to apply for Social Security benefits**
- **Submit all forms for regular retirement**

PLUS:

- **SF 3112A – Applicant's Statement of Disability**
- **SF 3112B – Supervisor's Statement**
- **SF 3112C – Physician's Statement**
- **SF 3112D – Agency Certification of Reassignment and Accommodation Efforts**
- **FedMER Eligibility Statement**

DISABILITY RETIREMENT ANNUITY AMOUNT

IF UNDER AGE 62 AT SEPARATION:

FIRST 12 MONTHS	AFTER 12 MONTHS
60% x high 3 average salary	40% x high 3 average salary
minus	minus
100% of Social Security Benefits	60% of Social Security Benefits

Disability annuity is recomputed at age 62 to an amount that represents the annuity you would have received if you had continued working until the day before your 62nd birthday and then retired under non-disability provisions.

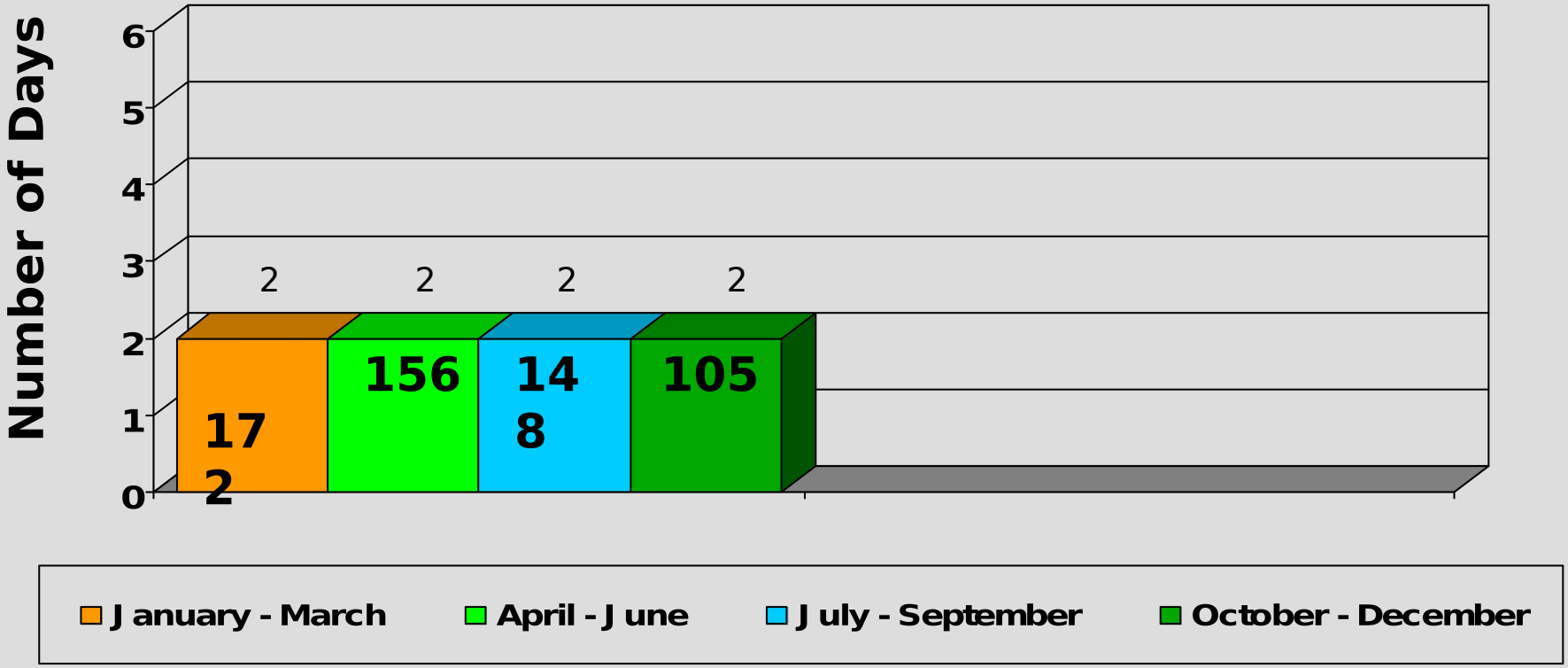
DISABILITY ANNUITY AMOUNT

If 62 or older or eligible for Optional Retirement, an employee receives an "earned annuity" based on the general FERS computation formula if you:

- **Are 62 years old or older; OR**
- **Meet the age and service requirements for regular, unreduced immediate retirement (MRA with 30 years, age 60 with 20 years, or age 62 with 5 years)**

DISABILITY CLAIM PROCESSING TIME

1 JANUARY – 31 DECEMBER 2008



Goal: Complete NLT 5 working days following receipt of all documentation.

DEATH-IN-SERVICE

- **If you die while still an active employee, your survivor *MAY* be entitled to death benefits**
- **In the event of your death, your survivor needs to contact your servicing Human Resources (HR) representative**
- **HR will contact ABC-C**
- **An ABC-C counselor will contact the survivor within 24 hours**

DEATH-IN-SERVICE

Spousal Benefits: Monthly annuity (survivor benefits) payable if married to employee at least 9 months

EXCEPTIONS to the 9 months of marriage requirement:

- **Spouse is the parent of a child of the marriage, or**
- **Death was accidental**

DEATH-IN-SERVICE

Children's Benefit(s) are payable if:

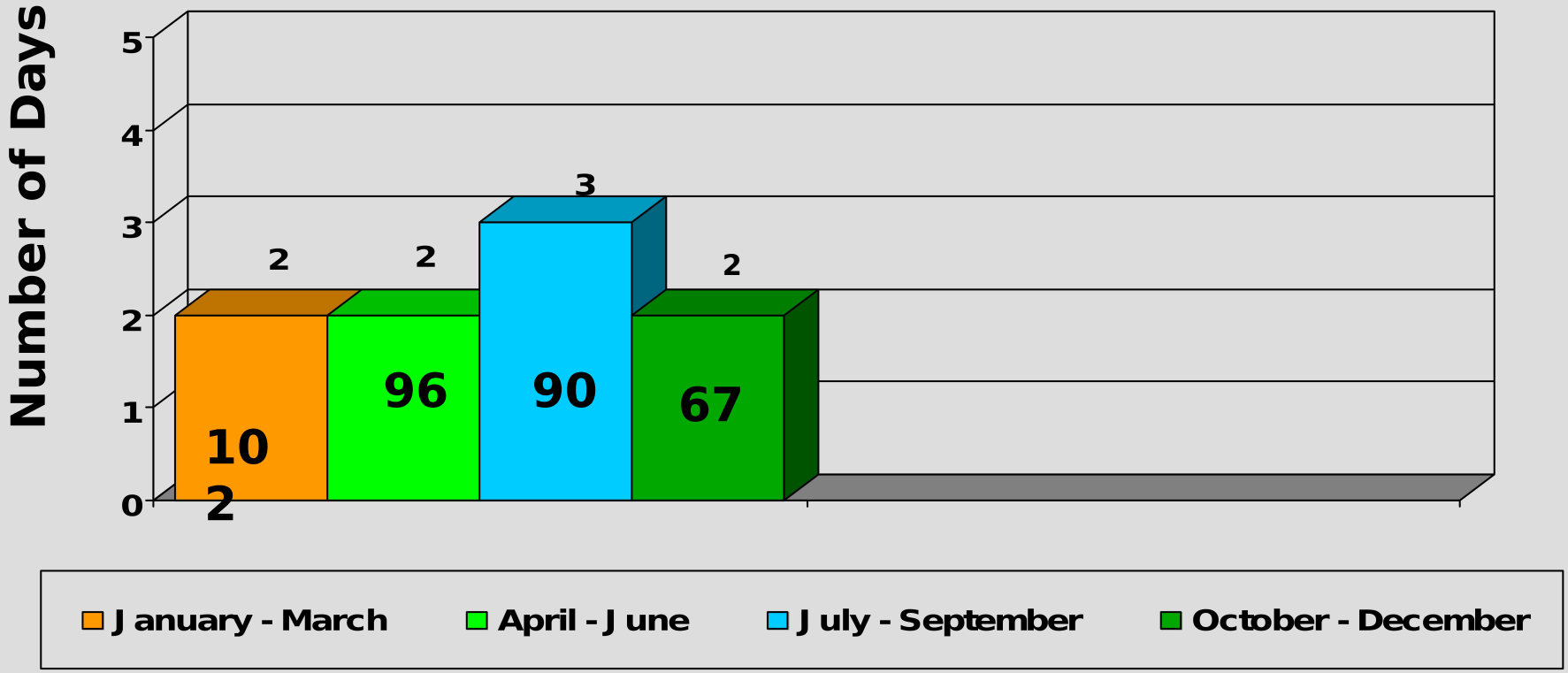
- **The child is unmarried AND under 18, or**
- **Under age 22 if full-time student, or**
- **Any age and disabled before 18**

DEATH-IN-SERVICE

- Up to 3 children if a parent is living
  - 2009 rate is $469 per month per child
  - More than 3 children, $1,409 divided by # of children
- Up to 3 children if no living parent
  - 2009 rate is $563 per month per child
  - More than 3 children, $1,691 divided by # of children
- Amount reduced by Social Security benefits

DEATH CLAIM PROCESSING TIME

1 JANUARY – 31 DECEMBER 2008



Goal: Complete NLT 5 working days after claim forms are received.

COST OF LIVING ADJUSTMENTS (COLA)

- **Annual rate based on rise in Consumer Price Index (CPI)**

Increase in CPI	Amount of COLA
Up to 2%	Full CPI
2% - 3%	2%
3% or more	CPI – 1%

- **Effective 1 Dec each year**
- **Payable in Jan (1/12 of COLA for each month)**
- **Must be 62 or older to receive – unless you retire under special provisions for firefighters**
- **Disability annuitants and survivors receive COLA at any age**

WINDFALL ELIMINATION PROVISION (WEP)

- **If you didn't pay Social Security taxes on your government earnings and you are eligible for Social Security benefits, the formula used to figure your benefit amount may be modified, giving you a lower Social Security benefit.**

- **WEP affects Social Security benefits when any part of your Federal service after 1956 is covered under the Civil Service Retirement System (CSRS). However, Federal service where Social Security taxes are withheld (Federal Employees' Retirement System or CSRS Offset) will not reduce your Social Security benefit amounts.**

WINDFALL ELIMINATION PROVISION (WEP)

WEP does not apply to survivors benefits. It also does not apply if:

- **You are a Federal worker first hired after December 31, 1983;**
- **You were employed on December 31, 1983, by a nonprofit organization that did not withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes from your pay;**
- **Your only pension is based on railroad employment;**
- **The only work you did where you did not pay Social Security taxes was before 1957; or**
- **You have 30 or more years of substantial earnings under Social Security.**

GOVERNMENT PENSION OFFSET (GPO)

- **If you receive a pension from a Federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced. You are exempt from the GPO if you were contributing to Social Security for your last 5 years of federal employment.**

- **Your Social Security benefits will be reduced by 2/3s of your government pension.**
  - **Monthly civil service pension - $1,200**
  - **2/3s offset to Social Security - $ 800***
  - **Spouse, widow or widower benefit - $1,000**
  - **Final amount due - $ 200**

($1,000 – $800* = $200)

http://www.socialsecurity.gov/gpo-wep/

NON-APPROPRIATED FUND (NAF) RETIREMENT PROCESSING

NAF Retirement System - Contact nearest NAF office

FERS Retirement Plan - Contact the ABC-C

NON-APPROPRIATED FUND (NAF) RETIREMENT PROCESSING

IMPORTANT!!

If you are retiring and immediately being hired by NAF, or transferring to other Federal employment, you must notify the ABC-C before your retirement is processed to prevent erroneous payout of your lump sum annual leave.

FEHB & RETIREMENT

Self Only

Self & Family

Additional Information:
http://www.opm.gov/insure/health

OPM Tel: 1-888-767-6738

FEHB & RETIREMENT

CONTINUATION INTO RETIREMENT

- **Retire on an immediate annuity**
- **Be insured on the date of retirement**
- **Covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll**

  (special rules for VERA and DSR)
- **Coverage as a family member under FEHB or CHAMPUS/TRICARE counts towards 5 year requirement, however, (employee must be enrolled in FEHB prior to retirement)**

FEHB & RETIREMENT

- **Cost of FEHB is the same for retirees and active employees except that premiums are paid on a monthly basis vs. bi-weekly**
- **Same Open Season and qualifying life event opportunities as active employees**
- **Same FEHB plans available to retirees as active employees**
- **Once you cancel FEHB coverage in retirement, you can never re-enroll**
- **At age 65, you must enroll in Medicare and it becomes your primary and your FEHB plan becomes your secondary provider**

FEHB & RETIREMENT

- **Retirees can suspend FEHB for TRICARE or Medicare (if enrolled in Medicare + Choice health plan) and return to FEHB coverage during Open Season or immediately upon involuntarily losing non-FEHB coverage.**
- **Retirees do NOT participate in Premium Conversion.**
- **Your spouse is eligible to continue FEHB coverage after your death only if you have Self and Family coverage and you elect to provide a survivor benefit at retirement.**

MEDICARE

- **Part A (Hospitalization) – No Cost**
  - **Enrollment is automatic at age 65**
- **Part B (Medical) – Monthly premium based on yearly adjusted gross income**
- **Part D (Drug) – Monthly premium**

FEGLI & RETIREMENT

Additional Information: www.opm.gov/insure/life OPM Tel: 1-888-767-6738

FEGLI & RETIREMENT

CONTINUATION INTO RETIREMENT:

- **Retire on an immediate annuity**
- **Insured on date of retirement**
- **Enrolled in each Option and Multiple for the 5 years of service prior to retirement OR since your FIRST opportunity to enroll**
- **Election Form: SF2818 - Continuation of Life Insurance Coverage – form requires 4 signatures**

FEGLI & RETIREMENT

BASIC LIFE OPTIONS:

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000. Ex: $51,400 = $52,000 + $2,000 = Amt of Basic Ins $54,000

Options	Before age 65	After age 65
1. 75% reduction	BIA x .3250 (per $1,000) ex: $17.55 per month	NO COST ***Coverage reduces 2% per mth for 37.5 mths until it reaches a final value of $13,500***
2. 50% reduction	BIA x .9250 (per $1,000) ex: $49.95 per month	BIA x .6000 (per $1,000) ex: $32.40 per month ***Coverage reduces 1% per mth for 50 mths until it reaches a final value of $27,000***
3. NO reduction	BIA x 2.1550 (per $1,000) ex: $116.37 per month	BIA x 1.8300 (per $1,000) ex: $98.82 per month

FEGLI & RETIREMENT

OPTION A - STANDARD COVERAGE:

OPTION A - Standard = $10,000

Age Group	Monthly Cost
Under 35	$0.65
35 thru 39	$0.87
40 thru 44	$1.30
45 thru 49	$1.95
50 thru 54	$3.03
55 thru 59	$5.85
60 thru 64	$13.00
65 & above	NO COST

At age 65 coverage reduces by 2% per month for 37.5 months until it reaches $2,500.

FEGLI & RETIREMENT

OPTION B – ADDITIONAL COVERAGE (1 – 5 MULTIPLES OF PAY):

OPTION B – Ex: Annual Salary $51,400 1x Multiple elected = $52,000

Age Group	Mthly Cost @ $1000	Mthly Cost
Under 35	$0.065	$3.38
35 thru 39	$0.087	$4.52
40 thru 44	$0.130	$6.76
45 thru 49	$0.195	$10.14
50 thru 54	$0.303	$15.76
55 thru 59	$0.607	$31.56
60 thru 64	$1.300	$67.60
65 thru 69	$1.560	$81.12
70 thru 74	$2.600	$135.20
75 thru 79	$3.900	$202.80
80 & Above	$5.200	$270.40

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage will end.

NO Reduction: Coverage and premium will continue.

FEGLI & RETIREMENT

OPTION C - FAMILY COVERAGE

(1 - 5 MULTIPLES):

OPTION C - Spouse = $5,000 (1x Multiple) / Each Child = $2,500 (1x Multiple)

Age Group	Mthly Cost per Multiple	Mthly Cost (1x)
Under 35	$0.59	$0.59
35 thru 39	$0.74	$0.74
40 thru 44	$1.00	$1.00
45 thru 49	$1.30	$1.30
50 thru 54	$1.95	$1.95
55 thru 59	$3.14	$3.14
60 thru 64	$5.63	$5.63
65 thru 69	$6.50	$6.50
70 thru 74	$7.37	$7.37
75 thru 79	$9.75	$9.75
80 & above	$13.00	$13.00

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage will end.
NO Reduction: Coverage and premium will continue.

TSP & RETIREMENT

Thrift Savings Plan

http://www.tsp.gov

Telephone: 1-877-968-3778

TDD: 1-877-847-4385

Monday through Friday

7:00 a.m. – 9:00 p.m. ET

Mailing Address:

P.O. Box 385021

Birmingham, AL 35238

THRIFT SAVINGS PLAN (TSP)

- **Tax deferred retirement savings & investment plan**
- **Provides the opportunity to increase your retirement income**
- **You must be in a position subject to retirement deductions to contribute**
- **TSP offers two approaches to investing your money:**
  - **L Funds are “Lifecycle” Funds invested in a mix of stocks, bonds, & Government securities**
  - **Individual Funds are the G, F, C, S, I funds**

TSP FUNDS

- **Government Securities Investment (G) Fund**
  - **Invested in short-term U.S. Treasury securities**
  - **Interest income without risk of loss of principal**
  - **Payment of principal & interest is guaranteed**
  - **Low risk**
  - **10-year annual return: 5.12%**

- **Fixed Income Index Investment (F) Fund**
  - **Government, corporate & mortgage-backed bonds**
  - **Invested in bond index fund that tracks Lehman Brothers U.S. Aggregate (LBA) bond index**
  - **Offers opportunity to earn rates of return that exceed money market fund rates over the long term**
  - **Low to moderate risk**
  - **10-year annual return: 6.01%**

TSP FUNDS

- **Common Stock Index Investment (C) Fund**
  - **Stocks of large & medium-sized US companies**
  - **Invested in stock index fund that tracks the Standard & Poors (S&P) 500 stock index**
  - **Potential to earn high investment returns over the long term**
  - **Moderate risk**
  - **10-year annual return: 5.88%**

- **Small Capitalization Stock Index (S) Fund**
  - **Stocks of small to medium-sized US companies**
  - **Invested in stock index fund that tracks Dow Jones Wilshire 4500 Completion (DJW 4500) index**
  - **Earn potentially higher investment returns over the long term than in the C Fund**
  - **Moderate to high risk (more than the C Fund)**
  - **10-year annual return: 7.66%**

TSP FUNDS

- **International Stock Index Investment (I) Fund**
  - **International stocks of 21 developed countries**
  - **Invested in stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) index**
  - **Potential to earn high investment returns over the long term**
  - **Moderate to high risk**
  - **10-year annual return: 8.53%**

- **Lifecycle (L) Fund**
  - **Each L Fund is invested in the individual TSP funds (G, F, C, S, I), using investment allocations that are tailored to different time horizons**
  - **Objective is to provide the highest possible rate of return for the amount of risk taken**
  - **Subject to the risks of the individual funds**
  - **Expected returns will be approximately equal to weighted average of the G, F, C, S, I Funds' returns**

LIFECYCLE FUNDS

FUND	TIME HORIZON	GROWTH	RISK
L Income	Today and the near future	Low	Low
L 2010	2008 through 2014	Moderate	Moderate
L 2020	2015 through 2024	Moderate to High	High
L 2030	2025 through 2034	High	High
L 2040	2035 or later	High	Very High

LIFECYCLE FUNDS FUND ALLOCATIONS

L FUND	G Fund	F Fund	C Fund	S Fund	I Fund
L Income	74%	6%	12%	3%	5%
L 2010	58%	7%	19%	6%	10%
L 2020	31%	8%	32%	11%	18%
L 2030	19%	9%	37%	15%	20%
L 2040	8%	10%	41%	17%	24%

TSP PROJECTION

Amount of Annual TSP Contribution	# of Years to Contribute	Rate of Return (based on 10-year summary of annual returns for C Fund)	Projected TSP Account Balance
$7,500	10	6%	$136,749
$7,500	20	6%	$385,551
$7,500	30	6%	$838,221
$5,000	30	6%	$628,666
$2,500	30	6%	$419,110

TSP & RETIREMENT OPTIONS

- Automatic cashout (accounts less than $200)
- Leave money in the TSP
- Age-based withdrawal
- Full Withdrawal
  - Single payment
  - Monthly payments
  - Life annuity
- Mixed Withdrawal
- Must begin to receive TSP funds by April 1 of the year following the year you are 70 ½

HOW TO APPLY:

TSP-70 FORM - Withdrawal Request

TSP CATCH-UP CONTRIBUTIONS

- Open to TSP participants age 50 or older
- Not eligible for agency automatic 1% matching contribution
- Limited to $5,500 for year 2009
  - Must be contributing IRS yearly maximum, $16,500 for 2009
  - Must make new election each year

Elections made via EBIS at https://www.abc.army.mil or IVRS at 1-877-276-9287

LONG TERM CARE INSURANCE (LTCI)

Want to talk with a Certified Long Term Care Insurance Consultant?

Tel: 1-800-LTC-FEDS (1-800-582-3337)
TTY: 1-800-843-3557
Mon - Fri 8 a.m. - 8 p.m. ET
Sat 9 a.m. - 5 p.m. ET
Closed Sun and Federal holidays.

http://www.ltcfeds.com

FLEXIBLE SPENDING ACCOUNTS (FSA)

To receive more information regarding FSAs, please contact a SHPS counselor.
Retirees are not eligible to continue FSA.

Email: FSAFEDS@shps.net
Telephone: 1-877-FSAFEDS (1-877-372-3337)
TTY: 1-800-952-0450

- **Mon-Fri 9 am – 9 pm ET**
- **Closed Weekends and Holidays**
- **http://www.fsafeds.com**

FEDERAL EMPLOYEES DENTAL & VISION INSURANCE PROGRAM (FEDVIP)

Can enroll in dental, vision, or both

Self Only Self & One Self & Family

Dental Benefits

Diagnostic
Preventative
Emergency Care
Restorative
Oral/Maxillofacial Surgery
Endodontics
Periodontics
Prosthodontics
Orthodontics

Vision Benefits

Diagnostic Services
Preventative Services
Eyewear
- Glasses
- Contacts

ENROLL AT

https://www.benefeds.com

1-877-888-3337

TTY 1-877-889-5680

DESIGNATION OF BENEFICIARY

Beneficiary Forms:

- **SF 1152 (Unpaid Comp)**
- **SF 2823 (FEGLI)**
- **SF 2808 (CSRS)**
- **TSP 3 (TSP)**

Order of Precedence:

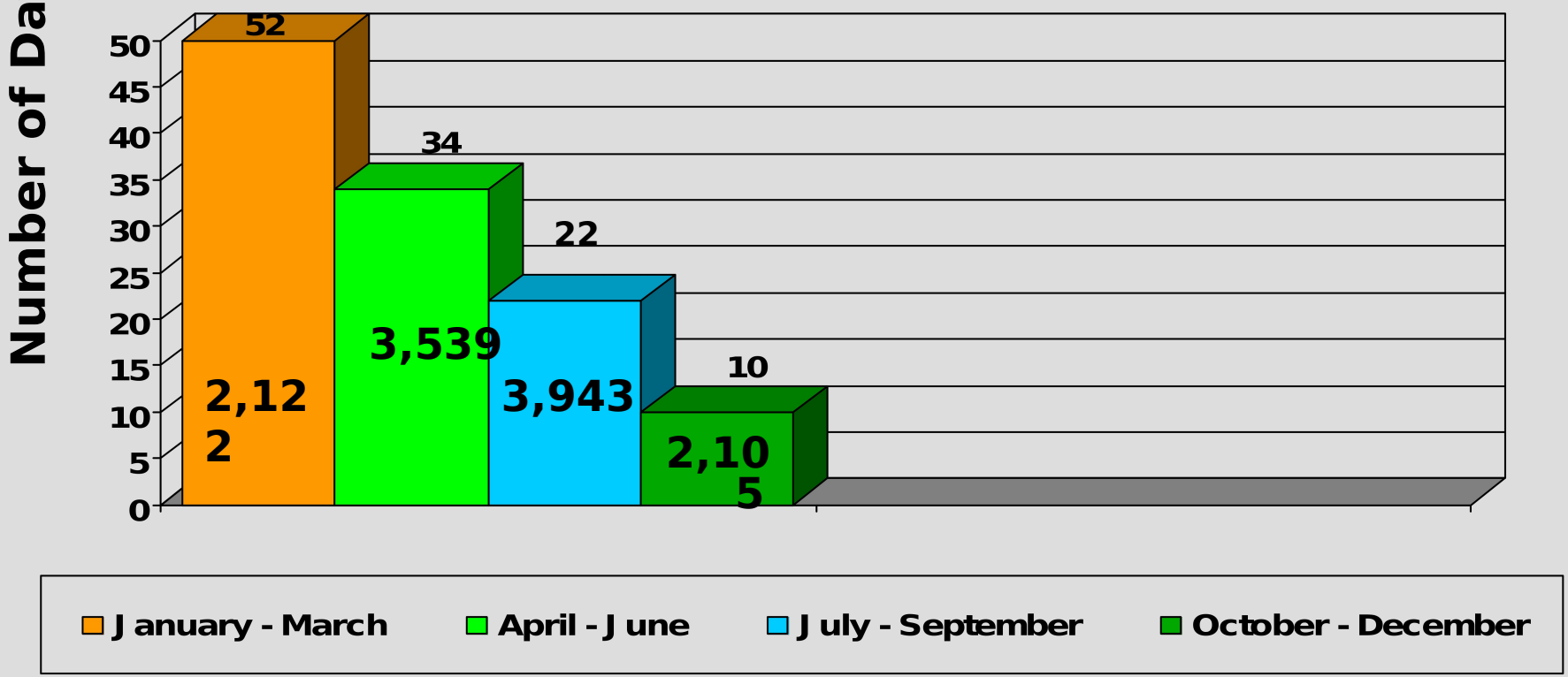
- **Court Order**
- **Designation of Beneficiary**
- **Widow or Widower**
- **Children (and/or descendants of deceased children)**
- **Parents**
- **Executor or Administrator of Estate**
- **Next of Kin**

RETIREMENT ESTIMATE

- Request your retirement estimate no more than 5 years prior to your retirement eligibility date
- ABC-C will compute one retirement estimate per calendar year
- Retirement estimate includes:
  - Verification of military & civilian service documented in your Official Personnel Folder (OPF)
  - Calculation of amount of civilian deposit and/or redeposit owed
  - Impact of unpaid civilian deposit/redeposit & military deposit on your retirement annuity
  - Confirmation of your current FEHB & FEGLI enrollment & your eligibility to continue these benefits into retirement

RETIREMENT ESTIMATE PROCESSING TIME

1 JANUARY – 31 DECEMBER 2008



ABC-C RETIREMENT PROCEDURES & PROCESS

- 5 years prior to retirement eligibility:
  - Contact the ABC-C for retirement estimate & information
  - Call ABC-C with questions on retirement estimate
- 180 days prior to retirement:
  - Download forms from ABC-C website
  - Call ABC-C for help with the retirement forms
- 120 days prior to retirement:
  - Mail retirement forms to ABC-C
  - Maintain personal copy

ABC-C RETIREMENT PROCEDURES & PROCESS

- **ABC-C receives your retirement package:**
  - **Reviews retirement package**
  - **Sends letter acknowledging receipt and requests missing forms/documents**
  - **Requests OPF 90-120 days out**

- **30-60 days prior to retirement:**
  - **Retirement package assigned to counselor**

ABC-C RETIREMENT PROCEDURES & PROCESS

- **ABC-C retirement counselor:**
  - **Verifies required forms and documents**
  - **Processes retirement package**
  - **Provides final retirement counseling**
  - **Retirement package is forwarded to DFAS**

✓ **Good retirement address & contact information**

ABC-C RETIREMENT PROCEDURES & PROCESS

- **2 - 4 weeks after retirement:**
  - **Final paycheck is received**
  - **Lump sum annual leave is paid**
  - **VSIP payments if applicable**

- **8 - 10 weeks after retirement:**
  - **Receive 1st INTERIM payment**
  - **Receive letter from OPM with CSA number**

Office of Personnel Management Retirement Operations Center
P.O. Box 45
Boyers, PA 16017

www.opm.gov
email: retire@opm.gov
Tel: 1-888-767-6738

Social Security Administration
www.ssa.gov
www.medicare.gov
Tel: 1-800-772-1213

IRS Publication 721
www.irs.gov
Tel: 1-800-Tax-

FOR ADDITIONAL RETIREMENT INFORMATION

CONTACT THE ABC-C

- **Toll Free 1-877-276-9287 (TDD 1-877-276-9833)**
- **Belgium: 0800-78245**
- **Germany: 0800-1010282**
- **Italy: 0800-780821**
- **Japan: 00531-1-20378**
- **Korea: 00798-14-800-4766**
- **Kuwait: 1-877-276-9287 (Dial 809-463-3376 for DSN line, wait for a tone, then dial the toll free number)**
- **Netherlands: 0800-0232739**
- **Saudi Arabia: 1-877-276-9287**
- **United Kingdom: 08-000857723**
- **Counselors are available from 6 am – 6 pm CT**
- **Website: https://www.abc.army.mil**
- **Mailing Address: 303 Marshall Avenue, Ft. Riley, KS 66442-5004**

Army Benefits Center - Civilian
1-877-276-9287

Initial Options

Select: 1= Army Civilian 2= DCMA Civilian 3= Army Uniformed Services Member	**Select:** 1= Customer Service Survey 2= Access Benefits and Entitlements **Select:** 1= Current or Separated Civilian Employee 2= Retiree or Surviving Spouse 3= Seeking Temporary Continuation of Coverage (FEHB only)	**To access Benefits and Entitlements:** 1= Enter SSN and PIN 1= Change your PIN 2= Continue 2= Forgot PIN **Current Duty Phone** 1= Correct 2= Change	**Main Menu:** 0= Benefits Counselor 1= FEHB 2= Retirement 3= TSP 4= FEGLI 6= Fax Document 9= Exit System

Menu Information Available after Main Menu Option Selected

1 = FEHB: 1= General Information 2= Personal Information 3= New Employee Election 4= Change from Self and Family to Self Only (without changing plan) 5= Open Season Election 6= Cancel FEHB 7= Non-Open Season Change 8= Fax of latest SF 2809 0= Counselor 9= Previous Menu	**2 = Retirement:** 1= General Information 2= Personal Information 3= Retirement Estimate 0= Counselor 9= Previous Menu	**3 = TSP:** 1= Personal Information 2= TSP Election 4= Stop Contributions 5= TSP Catch-Up Election 0= Counselor 9= Previous Menu	**4 = FEGLI:** 1= General Information 2= Personal Information 3= New Employee Election 4= Non-Open Season Election 5= Open Season Election 6= Fax of Open Season Election 0= Counselor 9= Previous Menu	**6 = Faxed Documents:** 1= Request a Document 2= Index of Documents 9= Previous Menu

QUESTIONS?